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BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE

JUL 06 2004
Dept. Of Commerce & Insurance
Company Examinations

IN THE MATTER OF:)

STATE VOLUNTEER MUTUAL INSURANCE COMPANY)

No.: 04-056

ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVE

Pursuant to Tenn. Code Ann. §§ 56-19-101, *et seq.* and 56-1-401, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of State Volunteer Mutual Insurance Company (hereinafter also referred to as the "Company"), a mutual liability insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31st day of December, 2002, the examiner-in-charge filed with the Division, on the 12th day of May, 2004, a verified, written report on examination, and a copy of that report has been sent to State Volunteer Mutual Insurance Company. (The Report on Examination of State Volunteer Mutual Insurance Company, is attached hereto and marked as Exhibit A). The Division received no written rebuttal to said examination report from the Company.

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of State Volunteer Mutual Insurance Company, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 12th day of May, 2004, is hereby **ADOPTED** as filed with the following **DIRECTIVE**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-53-111(a) by preparing, implementing and maintaining an insurance fraud plan.

The company shall comply with the directives contained in this order within thirty (30) days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against State Volunteer Mutual Insurance Company for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Directive merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

ENTERED this the 30th day of June, 2004.

Paula A. Flowers

Paula A. Flowers, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:

Eric J. Stansell

Eric J. Stansell (BPR# 021707)
Staff Attorney
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, Fifth Floor
Nashville, Tennessee 37243
(615) 741-2199

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Don Spann, Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to State Volunteer Mutual Insurance Company, 101 Westpark Drive, Brentwood, Tennessee 37027, on this the 6th day of July, 2004.

Eric J. Stansell

Eric J. Stansell
Certifying Attorney